Meeting Discussion Guide

January 5, 2015

Alaska Health Care Commission

Meeting Agenda

I. Updates
   I. Gubernatorial Transition
   II. Medicaid Reform Advisory Group

II. Public Comment Review, Report Finalization and Approval
   I. Miscellaneous/Other Comments
   II. Fraud and Abuse Findings & Recommendations
   III. 2015 Priorities & Activities
   IV. APCD Legislation Brief
   V. Recommendations for Employers

III. Next Steps/Wrap-Up
   I. 2014 Annual Report Submission
   II. Proposed Schedule for 2015

Public Comment Review; Final Edits & Approvals

Discussion Plan

1. Fraud and Abuse Findings & Recommendations
2. 2015 Priorities & Activities
3. APCD Legislation Brief
4. Recommendations for Employers

a) Changes Based on Public Comment?

b) Additional Changes Suggested by Commission Members?

c) Approve

- Fraud and Abuse Findings & Recommendations
- 2015 Priorities & Activities
- APCD Legislation Brief
- Other Comments
- *Note: No comments received on Health Benefit Recommendations for Alaskan Employers*

Comments Received

» Other Miscellaneous/Comments

- Alaska Mental Health Board/Advisory Board on Alcoholism & Drug Abuse:
  - Applaud Commission's increased efforts to include behavioral health in consideration of entire health care system

- Nancy Shima
  - Access, Quality and Affordability are intertwined – may be difficult to achieve and maintain all three
  - Most providers already subscribe to evidence-based practice
  - Commission should incorporate evidence-based practices in health care reform strategies – understand roles of intrinsic and extrinsic rewards in reshaping healthcare practices
  - Don't portray providers as greedy

» Fraud & Abuse Findings & Recommendations

- Alaska Association on Developmental Disabilities:
  - Does not support enrollment of all rendering provider types (Rec I.a):
    - Waiver service delivery is diverse – large #s of part-time direct service workers
    - Would exacerbate workforce shortages and impact access to care
  - Supports provision of EOBs to Medicaid patients (Rec. I.d)
  - Does not support electronic verification of PCA and Waiver services (Rec. V.g).
    - Service documentation already required in electronic records
    - Particularly problematic for single providers servicing groups of clients together
    - Creates additional administrative burden and detracts from core mission

- Alaska State Hospital & Nursing Home Association:
  - Appreciates focus, but problem is not systemic – good to target resources to high-risk areas
  - Agree with repurposing discretionary Myers & Stauffer audits to high-risk providers (Rec. I.b)
  - Agree with need for improved communication of audit processes with providers (Rec. I.c)
  - Agree with request of waiver from CMS from RAC audit contract requirement (Rec. I.e)
  - Agree with care coordination for emergency room over-utilizers (Rec. V.d)

2014 Public Comments

» Fraud & Abuse Findings & Recommendations

- Josh Steffes
  - Strongly opposes :
    - Removal of statutory barrier to DHSS and Law access to prescription drug database (Rec.IV.c)
    - Creation of a robust prescription drug control program (Rec.IV.d)
    - Investigation of Medicaid beneficiaries who pay cash for prescriptions (Rec.V.f)
- Nancy Shima
  - Providing EOBs to Medicaid patients not likely to bear fruit (Rec. I.d)
  - Requiring some provider types to be bonded may be helpful (Rec. IV.a)
  - Looking for and auditing unusual use patterns may be helpful (Rec. V.c)

1. Fraud and abuse prevention and investigation are important business practices and should be supported, but will not reform the health care system and will not address the major cost challenges. Realignment of fee structures, creation of more even negotiating fields, and evidence-based practice and coverage are the strategies required for reforming the system to address the major cost challenges.

2. CMS estimates 3-10% of Medicaid spending is fraud. Alaska Medicaid fraud recovery, while currently less than 1%, has significantly increased in recent years. Not reflected in the 1% recovery is the deterrent effect of the increased investigation and recovery effort.

3. Active collaboration between the Alaska Department of Law, the Alaska Department of Health & Social Services, the U.S. HHS Office of Inspector General, and U.S. Immigration & Customs Enforcement is resulting in significantly increased recoveries and convictions. Since October 2012 when the two State agencies ramped-up collaborative efforts to address Medicaid fraud:
   - Prosecutors presented charges in 93 criminal cases resulting in 62 convictions and saving a total of $12 million for the State of Alaska in the first year alone;
   - The Department of Law Medicaid Fraud Control Unit provided the Department of Health & Social Services Medicaid Integrity Program with information to suspend 7 agencies, and DHSS issued a total of 65 payment suspensions in SFY 2014 based on information from a variety of sources;
   - One large case involved investigating 53 individuals, with 35 convictions and $743,000 in savings;
   - The majority of cases have been home health or personal care attendant providers; and,
   - Another large case currently pending involves a single physician accused of fraudulently billing more than $1 million over the course of four years.

Fraud & Abuse Findings

4. The Medicaid Fraud Control Unit currently has a backlog of cases that could be alleviated with additional staff support.

5. The State is sometimes unable to recover public funds lost through fraud. Requiring bonding and/or strengthening state seizure law could increase the State's ability to recover funds found to be paid for fraudulent claims.

6. The new Medicaid Recovery Audit Contractor (RAC) Audit program required by CMS under the Affordable Care Act is not working in Alaska. Alaska's Medicaid RAC contractor ~~recently~~ suspended performance of audits under their contract during 2014 because they were not able to generate income in our state due to the difficulty with aligning the DRG (Diagnosis Related Groups) payment focus of the RAC audit process with Alaska's fee-for-service payment structures.

7. State audits performed by Myers & Stauffer under AS 47.05.200 do not generally identify criminal activity, but one recently identified fraud case will result in $1 million savings for the State. These audits have identified over $5 million in overpayments since October, 2012, so this program is beneficial.

Fraud & Abuse Findings

8. Fraudulent providers are exploiting vulnerabilities in the system.
   - > Medicaid beneficiaries have no financial incentives to provide a check on potential fraudulent practice by their providers~~,~~; and also do not receive an Explanation of Benefits statement as do ~~a~~ patients ~~on~~ with private insurance, ~~does~~ and so cannot verify services billed on their behalf.
   - > Lack of enrollment of some rendering provider types creates avenues for fraudulent providers caught under one provider type to continue billing for services under another provider type.

9. Abuse of prescription opioid narcotics is not only a critical health concern, as documented by the Alaska Health Care Commission in 2013, but is also a significant source of fraud and abuse in the health care system. Alaska's current Prescription Drug Monitoring law creates barriers that restrict the Department of Law and the Department of Health & Social Services from accessing the data and using it to identify potentially fraudulent or abusive prescribing practices and doctor-shopping by patients.

Fraud & Abuse Findings

I. The Alaska Health Care Commission recommends the Commissioner of the Department of Health & Social Services increase efforts to address fraud in the Medicaid program and streamline audit processes for providers by:

a) Establishing regulations to enroll all rendering provider types as Medicaid providers.
b) Repurposing discretionary audits performed by Myers & Stauffer under AS 47.05.200 to target provider types that pose the greatest risk of overpayment, and to relieve providers who demonstrate compliance.
c) Implementing procedures to reduce the cycle time from audit notification to providers through final report issuance, and to improve communication with providers so that they have on-line access to information on the status of audits.
d) Providing Explanation of Benefits statements to Medicaid recipients, with education about their obligation to notify the department in the event of a statement of payment for services they did not receive.
e) Requesting a waiver from CMS from the Medicaid Recovery Audit Contractor program requirement established under the Affordable Care Act.

II. The Alaska Health Care Commission recommends the Commissioner of the Department of Health & Social Services and the State Attorney General continue to strengthen coordination and collaboration between the Medicaid Fraud Control Unit, the Medicaid Integrity Program, DHSS Medicaid operating divisions, and federal fraud investigation and control programs.

Fraud & Abuse Rec.s

III. The Alaska Health Care Commission recommends the legislature fund and the Governor support expanded capacity in the Department of Law Medicaid Fraud Control Unit to investigate and prosecute criminal fraud cases.

IV. The Alaska Health Care Commission recommends the legislature:

a) Strengthen state seizure laws, and consider bonding requirements for certain high-risk Medicaid providers, to increase recovery of Medicaid funds lost to fraud.
b) Provide the Medicaid program the authority to adjust future payments to providers who have past-due obligations to the program.
c) Remove statutory barriers to Department of Health & Social Services and Department of Law access to and use of the Prescription Drug Database for fraud identification and statewide drug abuse prevention efforts.
d) Create a more robust prescription drug control program by ensuring financial support to continue the program, and supporting upgrade of the database to real-time functionality to identify and prevent doctor-shopping practices.

Fraud & Abuse Rec.s

V. The Alaska Health Care Commission recommends the Commissioner of the Department of Health & Social Services continue efforts to increase medical management to address waste in the Medicaid program, such as through:

a) Expansion of prior authorization requirements for medical necessity for services, and establishment of user-friendly and efficient prior authorization processes for providers.
b) Establishing pre-payment review for providers who have billed for services inappropriately in the past, and providing education and technical assistance to assist providers with learning proper billing practices.
c) Streamlining Service Utilization Review procedures to target information gathering to outlying procedures, and discontinue the burdensome practice of requiring all patient data when an outlying procedure is identified.
d) Implementing a care coordination program for beneficiaries who over-utilize emergency room services.
e) Tightening review of Medicaid travel for compliance with program requirements.
f) Investigating beneficiaries who pay cash for prescriptions for controlled substances, potentially with the intent of making the purchase more difficult to track, to ensure the drugs were not diverted for improper or illegal use.
g) Implementing electronic verification of Personal Care Assistant and Waiver services.

Fraud & Abuse Rec.s

» Fraud and Abuse Findings & Recommendations

Finalize/Approve

INTRODUCTION (page 8)

The proposed facilitation activities that follow the Strategic Map on the next two pages constitute a menu from which Commission priorities and agendas will be developed during 2015. Activities will be selected based on available resources, and on stakeholder priorities and readiness.

~~During this public comment period the Commission invites feedback on:~~

~~1. Whether the selected policy recommendations should be considered the highest priority for Commission facilitation during Phase II; and,~~

~~2. The proposed facilitation activities (listed along with the complete wording of each of the policy recommendations selected starting on page 11, following the Strategic Map).~~

~~Please note that the Commission is not inviting public comment on the policy recommendations themselves — public comment was solicited during the year in which the recommendations and their associated findings were developed. The year in which the individual recommendations were developed, and the Annual Report in which associated findings are included, is noted following the title of each recommendation.~~

2015 Commission Activities

» 2015 Priorities & Activities: General Comment

- Alaska Association on Developmental Disabilities:
  - Supports the policies selected for further action in 2015

» 2015 Priorities & Activities: Evidence-Based Medicine

- Institute for Circumpolar Health Studies:
  - Pleased University included as local resource
  - University could play additional roles to promote evidence-based practice
- Alaska State Hospital & Nursing Home Association:
  - Supports concept in general, but success will depend on implementation
  - Stakeholder education is a good use of Commission resources
- Alaska Mental Health Board/Advisory Board on Alcoholism & Drug Abuse:
  - Please review Streamlining Initiative recommendations, and include behavioral health boards and associations in streamlining efforts

A. Convene State of Alaska (SOA) agency leaders to facilitate mutual learning sessions and alignment of evidence-based medicine and medical management strategies.

i. Arrange a meeting between SOA health plan administrators and administrators in other states who have successfully implemented evidence-based medicine and medical management in their Medicaid program and state employee health plans.
ii. Prepare a white paper for SOA health plan administrators that describes nationally utilized medical management standards, such as InterQual and Milliman, and discusses opportunities for incorporating requirements for application of such standards in future third-party administrator and utilization review contracts.
iii. Facilitate development of an interagency work plan for strengthening and aligning evidence-based medicine and medical management strategies applied in SOA administered health plans.

B. Assess whether the State of Alaska is ready to apply high grade evidence in benefit design and medical management of employee/retiree health plans and Medicaid, and if so whether benefits are to be provided consistent with a "moderately" managed health plan in terms of evidence-based criteria (options are loosely, moderately, and tightly managed).

i. Contract for an assessment of the current level of medical management provided by the current SOA utilization review and third-party administrators, Qualis and Xerox (Medicaid) and Aetna (AlaskaCare).

C. Prepare a white paper on options and opportunities for improving prior authorization procedures in State of Alaska health plans (AlaskaCare and Medicaid) to make them more user-friendly for health care providers.

D. Sponsor a series of annual seminars for state agency staff involved in health plan administration to facilitate understanding of and expertise regarding evidence based medicine. (Other states such as Washington and Oregon do this).

E. Sponsor and facilitate presentations at annual meetings of health care provider organizations such as the Alaska State Medical Association and the Alaska State Hospital & Nursing Home Association to describe evidence-based medicine and what the State of Alaska is doing in this regard.

F. Sponsor and facilitate presentations to business and policy groups, such as the Alaska State Chamber of Commerce, the Alaska HR Leadership Network, and Commonwealth North, to describe evidence based medicine and what the State of Alaska is doing in this regard.

G. Convene University of Alaska and Alaska Pacific University health program leaders and stakeholders to discuss current strategies and opportunities for strengthening integration of evidence-based medicine skill development in curricula for clinician and health care administrator training programs such as nursing, medicine, and health care management.

Evidence-Based Medicine Activities

» 2015 Priorities & Activities: Transparency Legislation

- Alaska State Hospital & Nursing Home Association:
  - Supports transparency, and willing to participate as stakeholder
  - Hospitals are being proactive, but there's more work to be done
  - Consider utility of data vs. cost of providing it

- Alaska Mental Health Board/Advisory Board on Alcoholism & Drug Abuse:
  - Agree with need for pricing info for consumers and providers
  - Concerned about DHSS's ability to provide info
  - Concerned about administrative burden on providers
  - Needs further discussion

A. Prepare a white paper on transparency legislation enacted in other states including outcomes (outcomes would include utilization of price and quality information by patients, referring clinicians, policy makers, and the general public; impact on the health care market; etc.).

B. Convene stakeholder sessions and compile input and ideas for key elements for state transparency legislation.

C. Prepare a policy brief on recommended key elements for legislation. Include experience from other states and input from stakeholder sessions, and solicit public comment on draft.

D. Convene State health plan administrators (including Department of Administration, DHSS/Medicaid, and the University of Alaska) to identify strategies and develop an action plan to increase public transparency of State agency and University administered health plan costs and accounting structures.

Transparency Activities

» 2015 Priorities & Activities: Payment Reform

- Alaska State Hospital & Nursing Home Association:
  - Activity A: Barriers exist to implementing purchasing policies. This activity implies rate negotiation rather than system transformation. Recommend changing wording from “purchasing policies and strategies” to “payment methodologies.”
  - Activity B: Recognize need to shift from pay-for-volume to pay-for-value. Shift will be incremental; demonstration and pilot projects are important to test new methods; State must be willing to partner with providers.

- Nancy Shima:
  - Providers must be brought into the discussion early.

A. Facilitate the development of enterprise-wide purchasing policies, negotiation strategies, and payment methodologies across State of Alaska programs involved in purchasing health care to leverage support for improved care management and coordination, clinical quality, patient outcomes, and cost efficiency and effectiveness.

i. Convene leaders of the Department of Administration AlaskaCare employee and retiree health plan, Department of Health & Social Services Medicaid program, State employee union health trusts, Workers' Compensation program and University of Alaska employee health plans to learn how other State governments align health care purchasing strategies, and discuss how purchasing could be aligned across State of Alaska health care programs.
ii. Assess readiness of the above listed program leaders to collaborate on the development of common health care purchasing policies and strategies.
iii. Provide technical assistance to support development of common policies and strategies.

B. Facilitate implementation of a payment reform demonstration project focused on regional/community health improvement (designed to improve population health, care management and coordination, clinical quality, and cost efficiency and effectiveness) and planned by local health care providers, commercial insurers, third party administrators, and employers with self-funded ERISA plans.

i. Convene providers and payers to learn about current payment reform initiatives in Alaska, and about payment reform models in other states that have the potential to work in Alaska's health care markets.
ii. Assess readiness of payers and providers for various payment reform options.
iii. Provide facilitation for a payment reform demonstration project (i.e., convene stakeholders in planning and problem-solving forums, identify data needs, support information and communication flow, etc.).

Payment Reform Activities

» 2015 Priorities & Activities: Workers' Comp Reform

- Alaska State Hospital & Nursing Home Association:
  - ASHNHA members are large employers, and support this area of focus
- Nancy Shima:
  - Reducing Worker Comp fees to Medicaid levels may decrease access, value and quality for Workers' Comp patients

2014 Public Comments ›

A. Convene meetings with other organizations that have made formal recommendations for reforming Alaska's Workers' Compensation program that align with Commission recommendations, such as the Workers Compensation Board and the Alaska State Chamber of Commerce, to identify action steps the Commission can take to facilitate implementation of common recommendations.

B. Produce a White Paper on the experience of other states that have reformed the medical component of their Workers' Compensation program.

C. Convene stakeholders (employers, labor unions, workers, health care providers, legislators, Workers' Comp program leaders) and:

i. Arrange for testimony to the stakeholder group by representatives from other states that have successfully implemented Workers' Comp reform;
ii. Gather feedback from Alaska stakeholders;
iii. Identify areas of common agreement by all stakeholders, and also areas of disagreement; and,
iv. Identify opportunities for resolving areas of disagreement.

D. Produce a Policy Paper for the Governor and legislature that describes the Workers' Comp reform experience of other states, explains current recommendations of the Health Care Commission and other organizations with similar recommendations, identifies the areas of agreement and disagreement among Alaska Workers' Comp stakeholders, and offers potential solutions.

Workers' Comp Reform Activities

» 2015 Priorities & Activities: Healthy Lifestyles

- Alaska Association on Developmental Disabilities:
  - Supportive of this focus
- Alaska State Hospital & Nursing Home Association:
  - Supportive of this focus
- Alaska Mental Health Board/Advisory Board on Alcoholism & Drug Abuse:
  - Supportive of this focus
  - Concerned that HA 2020 excluded key health issues due to data limitations
  - Research on issues driving poor health outcomes must be improved to more appropriately identify and address health priorities.
- Nancy Shima
  - This is likely the most cost effective measure in the long-run

A. Convene leaders of the Healthy Alaskans 2020 initiative from the Department of Health & Social Services and the Alaska Native Tribal Health Consortium (Commissioner, CEO and Division Directors) with the Healthy Alaskans 2020 Advisory Team to identify and discuss challenges to ongoing implementation of this collaborative statewide population health improvement initiative. Work together to identify options for long term sustainability.

B. Convene leaders of the Healthy Alaskans 2020 initiative from the Department of Health & Social Services and the Alaska Native Tribal Health Consortium (Commissioner, CEO and Division Directors) with the Healthy Alaskans 2020 Advisory Team to discuss options for implementing a Public Health System Improvement Process, and to discuss the cost-benefit of pursuing national accreditation of Alaska's public health agencies.

C. Convene administrators of all health insurance plans serving State of Alaska employees, and other public employers who participate in the state retirement system, to identify opportunities for joining resources to support workplace wellness and prevention efforts.

Healthy Lifestyles Activities

» 2015 Priorities & Activities: Opioid Abuse Prevention

- Alaska State Hospital & Nursing Home Association:
  - Supportive of this focus – deeply concerned about this epidemic and can assist with finding experts in this field

- Alaska Mental Health Board/Advisory Board on Alcoholism & Drug Abuse:
  - Supportive of this focus
  - Consider adding continuing education related to illicit drug abuse impact of reduced access to prescription opiates.
  - Medical and Pharmacy Boards should work together on Naloxone for opiate addiction patients.
  - Treatment of opiate addiction must be included with prevention policies, or costs will just shift to other sectors.

2014 Public Comments ›

A. Convene physicians, mid-level practitioners, pharmacists, hospital and emergency department leaders, applicable state clinician licensing boards, appropriate state agency staff, and legislators to:

i. Hear expert testimony from other states where opioid control programs have been successfully implemented.
ii. Identify and discuss the pros and cons of upgrading Alaska's prescription drug monitoring database to real-time or near real-time, including potential Medicaid savings.
iii. Discuss the benefits of expanding access to the prescription drug monitoring database to Department of Health & Social Services and Department of Law staff for Medicaid fraud control, utilization review and public health purposes.
iv. Identify prescribing guidelines for Alaska (include hospice patient exemption).
v. Compile data and stories on the problem of opioid abuse in Alaska.

B. Convene Department of Administration, Department of Health & Social Services, and University of Alaska health plan administrators to discuss application of controlled substances prescribing guidelines in AlaskaCare and Medicaid health plan benefit and payment policies.

C. Prepare a white paper on other states' opioid control program results, and recommendations from the FDA, CDC, and the White House Office of Drug Control Policy.

Opioid Control Activities

» 2015 Priorities & Activities: Foster Telehealth

- Alaska Association on Developmental Disabilities:
  - Supportive of this focus
- Alaska State Hospital & Nursing Home Association:
  - Supportive of this priority and proposed activities
  - Use of telemedicine is limited due to multiple barriers
  - Include licensing regulatory barriers and use of interstate medical licensure compact
  - Use telemedicine as an opportunity for payment reforms that foster innovative service delivery models
- Alaska Mental Health Board/Advisory Board on Alcoholism & Drug Abuse:
  - Supportive of this focus
  - Encourages the Commission to examine how state laws and regulations support and hinder effective use of telemedicine – essential to behavioral health providers across the state

2014 Public Comments ›

A. Convene stakeholders (health care providers, Telehealth service providers, payers, regulators) to identify specific state policy barriers to development and utilization of Telehealth technologies in Alaska, and to design solutions to identified barriers.

B. Convene Telehealth stakeholders to:

i. Evaluate the current state of Telehealth in Alaska;

ii. Identify opportunities to leverage technology, business relationships, bandwidth capacity, and payer systems to improve Telehealth services;

iii. Identify legislative, training, evaluation, and other requirements for improving Telehealth services.

iv. Develop an actionable plan to address issues identified in stakeholder sessions. Include:

- Potential for improving patient outcomes;
- Potential ROI (Return on Investment) for investors;
- Short and long-term cost benefit for medical claims payers (Medicaid, State employee/ retiree health plans, other employers, insurers); and,
- An evaluation component that includes measurement of patient health outcomes, provider satisfaction, and cost benefit for payers.

Telehealth Activities

» 2015 Priorities & Activities

Finalize/Approve

» APCD Legislation Brief

- United HealthCare:
  - Consider APCD Core Standards from APCD Council – they've proven effective in other states adopting them – likely to become the national standard
  - Would like to participate in stakeholder meetings

- APCD Legislation Brief
- Health Benefit Recommendation for Employers

Finalize/Approve

Next Steps; Wrap-Up

- 2014 Annual Report Finalization & Submission Process
- Proposed 2015 Meeting Schedule
  - February 26 – 27 in Juneau
  - May 28 – 29 in Anchorage
  - August 13-14 in Anchorage
  - October 13-14 in Anchorage
  - December 8 in Anchorage